

Rand Refinery Daily Gold Update



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Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,205.10	-\$3.30	\$1,198.00	\$1,235.00	\$935.25

Gold remained range bound for most of yesterday. Gold for August delivery traded as high as \$1217.30/oz and as low as \$1205.20 at the Comex division of the New York Mercantile Exchange.

Earlier in the day, China released its latest GDP growth figure. Gross domestic product expanded by 10.3 percent in the three months to June, according to the National Bureau of Statistics. The second quarter figure marked a slowdown from the 11.9 percent growth in January-March and the 10.7 percent in the last three months of 2009. The news did not have much effect on the currency or gold markets.

Later in the day the euro surged against dollar after the successful bond auction in Spain and France. The Spanish treasury sold all EUR 3 billion 15 year bonds. The average yield was 5.116%, which was higher than April's sale at 4.434%. The US dollar lost around 150 pips against the euro taking it down to a two month low against the euro. This pushed the EUR/USD through the 1.2900 level and the dollar index dropped more than 0.6% in the morning. The dollar index has now dropped more than 6% in the last six weeks. The price of gold did not react to the weaker dollar but, the drop in the price of crude may have had some effect on the price of the yellow metal.

Earlier in the week the US Mint reported that month-to-month sales of gold eagles are 54,000

ounces and sales of gold buffaloes are 11,000 ounces.

The world's largest gold-backed exchange-traded fund, the SPDR Gold Trust (GLD), said holdings eased to 1,314.211 tons as of Thursday, down 0.608 tons from the previous business day.

Spot gold was trading at \$1208/oz at 12.00 noon Singapore time. At 9 am London time the price of spot in London was slightly down at \$1204.90 - \$1205.90.



About the author: David Levenstein is an independent precious metals market commentator with more than 30 years experience.

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